

ADMINISTRATIVE INSTRUCTION
NO.

2 November 1949

STATINTL

SUBJECT: Classification Act of 1949

1. The Classification Act of 1949 establishes a standard plan for the allocation of positions, provides a schedule of rates of compensation and, among many other provisions, exempts the Central Intelligence Agency from the Act.
2. CIA will adhere to the provisions of this Act. Agency positions will be classified in accordance with Civil Service Commission and Agency standards and will be allocated with adherence to basic classification principles and compensation schedules set forth in the Classification Act of 1949.
3. The passage of this Act does not affect the title of your position, your duties or job qualification requirements. The "CAF", "F", and "SP" grades have been merged into a single schedule called "GS" (General Schedule). The "CPC" service grade structure remains unchanged. If your pay has been set by prevailing wage rates or a similar method, it will not be affected by this Act. You will continue to receive periodic pay increases every 52 or 73 weeks, depending upon your grade, providing your service and conduct are satisfactory and your efficiency rating is "Good" or better. Additional one step increases may be given for meritorious service. If you are in "GS-10" or below and are at the top of that grade, you are eligible for a one step longevity increase for each three years you have served at the top of that grade, provided you have been in your present grade (the equivalent or a higher one) for at least 10 years. A conversion chart is attached which informs you of your new "GS" grade and salary rate.
4. All CIA positions, irrespective of nature, type of funds from which paid or geographic location will be classified by the Administrative or Special Support Staff, as appropriate, and will be finally certified and approved by the Personnel Staff.
5. No positions above grade "GS-15" are authorized for CIA. It is not possible at this time to determine if or when such positions will be authorized.
6. The Personnel Director will, in accordance with General Order No. (Revised), determine the policy and procedure necessary in effecting the provisions of this Instruction.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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Executive

1 Attachment
DISTRIBUTION: All CIA Employees

(4) Overall manning within CIA has decreased [] no corresponding decrease in supergrade levels (in fact no decrease whatsoever). Provide justification for such actions -- or each thereof.

a. General

1) Exclusive of the Intelligence Community Staff (ICS), both the current and proposed supergrade ceiling are [] positions. 25X9
This ceiling represents a de facto reduction over the period under discussion (i.e., 1969 to date) since a major portion of the supergrade positions dedicated to Community activities were allocated at the expense of Agency activities. Of the [] ICS supergrade positions, 25X9
[] were added in 1972 with OMB concurrence as an increase to our 25X9
supergrade ceiling -- the remaining [] along with still other supergrade positions allocated to intelligence production support of the DCI's Community responsibilities (e.g., the NIO's), were provided through internal organizational adjustments and by shifting supergrade authorizations from activities of lesser priority. The ICS supergrade ceiling, which was recently increased from [] henceforth will 25X9
be separate from the similar Agency ceiling.

As noted above, there has in fact been a modest reduction in the overall Agency supergrade ceiling in recent years. Notwithstanding the loss of supergrade ceiling through shifts of Agency supergrade positions to support Community activities and the need for an increase in senior staff officer to ensure maximum responsiveness to

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recommendations made by the Commission on CIA Activities Within the United States (the Rockefeller Commission) and those made by two Congressional investigations, the Agency has not sought an increase in its supergrade ceiling. These requirements to date have been met through a constant review of supergrade position requirements and the shift of ceiling to meet needs on a current basis.

Further exacerbating the impact of the foregoing on overall supergrade requirements, has been a recently completed Office of Personnel comprehensive review of all previously classified positions at the supergrade level as well as a number of proposals for additional supergrade-level positions. The preliminary results of this review (now pending final review by the Agency Supergrade Board and approval by the Director) indicate that there are approximately ☐ additional positions which warrant classification at the supergrade level.

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2) The Agency's supergrade needs, as with other Federal agencies, are related more to a function of scope, level and substance of responsibility combined with organizational factors than of total Agency strength. The importance and complexity of many of the Agency's activities have increased in recent years, particularly in the area of substantive intelligence production, advanced technology, and sophisticated collection systems. Our requirements for supergrade-level officers in these areas are essentially unrelated to the reduction in overall size of the Agency. Shifts in regional areas of priority intelligence emphasis and concern have occurred as well as expanded

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efforts in priority areas and other activities requiring advanced technology and sophisticated collection systems.

Implementation of provisions of Executive Order 11905 as well as the recommendations of the Rockefeller Commission and the Senate Select Committee relative to strengthening the professional capabilities and roles of the Intelligence Community Staff, the Office of the Inspector General and the Office of the General Counsel all required internal redistribution of our limited centralized supergrade allowances to permit staffing by personnel with the skills, qualifications and experience necessary to carry out these requirements.

It has been recent Agency policy that the number of supergrade positions on our Table of Organization not exceed the OMB imposed restrictions on our supergrade employment ceiling. This has been the case since 1 July 1973 in compliance with a policy directive of 14 December 1972 from the then Executive Director-Comptroller (Mr. William Colby) to the Deputy Directors which directed that adjudicated supergrade positions in excess of the supergrade employment ceiling be identified and either eliminated or downgraded. Prior to this directive, the number of positions classified at the supergrade level exceeded the supergrade employment ceiling by a substantial margin, even though the number of supergrade personnel was held at or below ceiling.

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The following paragraphs explain how supergrade allowances are deployed and utilized by CIA. While our presentation identifies our supergrade positions with the Agency's organizational structure, it should be emphasized again that this is not the primary basis for classification of supergrade positions. In each case the level and scope of substantive responsibilities are of paramount importance to the classification process, with organizational and managerial/supervisory considerations representing only a portion of the factors considered.

(a) Office Heads and Deputies

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Of the total ☐ Agency supergrade allowances, ☐ of the total represent Office, or (in the DDO) Division Heads or deputies. The Agency has some 54 major organizational elements. The number of major organizational components of the Agency today is essentially the same as during the Agency's peak employment period in FY 1967. Our requirements for supergrade positions for senior managers as Office (or DDO Division) heads and deputies remains essentially unchanged.

(b) DCI Area Supergrade Positions

The Director has currently allocated ☐ supergrade employment ceiling allowances to the immediate Office of the Director and Deputy DCI and the several independent offices of the DCI group (e.g., the Office of the Comptroller, the National Intelligence Office, the Offices of the Legislative and General Counsels and the

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and continual evaluation of on-going activities to concentrate on relative priorities have allowed coverage of substantially increased requirements for intelligence production and support, notwithstanding reduced total manpower resources. The reduction in overall ceiling did not substantially reduce Directorate requirements for senior managerial and substantive analyst personnel, and there remains the need to accomplish more with fewer and more experienced resources.

(d) The Science and Technology Directorate (DDS&T)

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The DCI has allocated [] supergrade employment ceiling allowances to the DDS&T. Of the [] S&T allowances, [] are for Office Heads and their deputies in the eight offices, and [] are for senior special assistants and staff chiefs in the immediate Office of the DDS&T. The remaining [] allowances are allocated to second-eschelon managerial positions, the incumbents of which are responsible for specific production, technical collection or R&D activities or programs and report directly to an S&T Office Director, and to one-of-a-kind positions with major responsibilities in special programs. However, preliminary results of the Office of Personnel's recent classification review indicate that the substantive content of an additional number of such positions justifies supergrade status for [] additional positions and increases the S&T requirement for supergrade allowances to a total of [] During the 1969 - 1976 period, overall S&T staffing levels have increased by approximately [] with the addition of NPIC and OTS, although requirements for new programs have been met in large part through diversion of resources from other programs and activities.

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- (5) In reference to (3) above, insure that data relating to super-grade levels (increases or decreases and their corresponding time frames) be included in OP response.

(See Chronology attached to response to Question #3.)

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- (6) Provide data for FY 1974, FY 1975, and FY 1976 regarding the CIA's success or failure to meet yearend manning ceilings. What procedures are established to insure compliance with this requirement?

The Agency has undergone consecutive reductions in ceiling since FY 1968. In the years identified in the question, the Agency has experienced greater than anticipated retirements because of unusually high cost-of-living increases in annuities, and other circumstances affecting the relative desirability of continuing employment with the Agency. As a result, the problem has been more one of ending at ceiling than of avoiding overage.

The overage on 30 June 1975 was a transitory phenomenon, to which OMB had been alerted. Extensive retirements during the next two months were stimulated by a cost-of-living annuity increase, so that by the end of August the Agency was already below its greatly reduced FY 1976 ceiling.

To track what happened it is necessary to note that the ceiling for FY 1975 applied to staff personnel, so that extensive cuts in contract personnel during FY 1975 were not reflected in those strength figures that applied against staff ceiling. For FY 1976, a more comprehensive definition of ceiling was adopted so that ceiling was defined in terms of all permanent full-time personnel. So defined, the FY 1976 ceiling represented a reduction of positions. At year's end, strength was below ceiling.

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With respect to the procedures to insure compliance with the requirement to meet yearend ceiling, the essential elements are the system of manpower controls, as established in the regulations, and the system of budget controls, which control expenditures for personal services. As a result, the system is based upon the roles played by the line managers, the Deputy Directors, and Director of Personnel, and the Comptroller.

The Deputy Directors are responsible for allocating their manpower ceiling among their own components within the Directorate ceiling established by the Director. If their number of positions is in excess of this ceiling, they are responsible to notify the Director of Personnel. The entire position control system is established so that the allocation of positions conforms to Agency ceiling.

The Comptroller is responsible for notifying the Director of Personnel of organizational and manpower ceiling changes which have been approved by the Director. In addition, he is responsible "in collaboration with the Director of Personnel, (to) develop and recommend to the Director policies, techniques, and procedures necessary to insure the operation of a continuing and systematic program of manpower control and reporting."

In practice, beginning about mid-Fiscal Year, the Office of Personnel prepares a monthly report that estimates the yearend strength status based upon projections of gains and losses, by Directorate. This report is sent to the Comptroller.

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Based on this report, the Director of Personnel exercises his responsibility to "monitor the entrance-on-duty and transfers of personnel among Agency components in order to ensure that on-duty strengths are managed within approved Directorate manpower authorizations" and to "collaborate with the Comptroller in implementing the Agency's manpower control programs."

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CIA YEAREND CEILINGS AND YEAREND ON-DUTY STRENGTHS

FY 1974-6

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	<u>Ceiling</u>	<u>Strength</u>	<u>Ceiling</u>	<u>Strength</u>	<u>Ceiling</u>	<u>Strength</u>

* Cuts in contract personnel were not reflected in the old definition of strength, which applied to staff personnel only. Beginning 1 July 1975 a more comprehensive definition of ceiling and strength applied to all permanent full-time personnel.

** Ceiling was redefined for FY 1976 to include all permanent full-time personnel and thus, for the first time, to include such contract employees. This ceiling represented a reduction of more than below a comparable figure for FY 1975.

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(7) Discuss the composition and duties of the Supergrade Review Board.

Under current Agency policy and procedures:

a. The Director of Central Intelligence, with the approval of the Office of Management and Budget, will establish the supergrade ceiling of the Agency. Within that ceiling, the Director will determine the number of Agency personnel who may hold supergrade rank.

Allocation of the supergrade ceiling to the Directorates and the DCI area will be determined by the Director of Central Intelligence upon the recommendations of the Agency Supergrade Board. Such recommendations will be based on evaluated position requirements. The unallocated portion of the supergrade ceiling will be held by the Director as an Agency-wide reserve for subsequent allocation as required.

The Director of Central Intelligence is responsible for:

1) Approving recommended actions accomplishing a change in allocation of the supergrade ceiling or a change in a supergrade positions.

2) Approving any changes in the grade of personnel holding or proposed for supergrade rank.

b. The Agency Supergrade Board, composed of the Deputy Director of Central Intelligence as chairman and voting member, the four Deputy Directors and the Chairman of the Executive Career Service Board as voting members, and the Director of Personnel and the Comptroller or his designee as advisors, is responsible for:

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1) Reviewing the findings of the Office of Personnel's annual survey of Agency-wide allocation of the supergrade ceiling and supergrade position requirements.

2) Reviewing, in conjunction with the Office of Personnel findings, requests from the Directorates and the DCI area for supergrade ceiling allocation, the establishment of new supergrade positions, or grade adjustments of supergrade positions.

3) Submitting its recommendations with those of the Director of Personnel to the Director for his decision.

c. Deputy Directors and the Chairman of the Executive Career Service Board are responsible for:

1) Submitting requests through the Office of Personnel to the Agency Supergrade Board for reallocation of the supergrade ceiling, establishment of new supergrade positions, and grade adjustments of supergrade positions. Such requests will include detailed information in support of the request.

2) Ensuring the career management and development of supergrade officers.

d. The Director of Personnel is responsible for:

1) Conducting annual supergrade position requirement studies and related staff work.

2) Reporting to the Agency Supergrade Board the findings of the Office of Personnel annual survey of supergrade position requirements.

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3) Completing, upon receipt of supportive information, the review of requests for allocation of the supergrade ceiling, the establishment of new supergrade positions, and grade adjustments of supergrade positions, and submitting findings to the Agency Supergrade Board within 14 days of receiving a request.

4) Processing personnel actions affecting supergrade personnel.

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- (9) Provide detailed information regarding the role of the Position Management and Classification Staff in reviewing, recommending, or not recommending certain jobs for super-grade status.

a. Responsibility

Agency regulations provide for the internal allocation of Agency supergrade ceiling based on evaluations resulting from the Office of Personnel's annual survey of Agency supergrade position requirements. Responsibility for conducting these annual studies and related staff work rests with the Director of Personnel who has assigned the role of performing these functions to his Position Management and Compensation Division.

b. Role of PMCD

The present role of PMCD in reviewing positions for supergrade status is outlined in a memorandum to the DDCI from the CIA Management Committee, dated 12 February 1976, Subject: Management of Agency Supergrade Positions, Ceiling and Personnel. The recommendations were approved by the DDCI on 25 February 1976 and included the following provisions relative to the role of PMCD:

"4. Recommendations: It is recommended that:

e. The Office of Personnel (Position Management and Compensation Division) immediately conduct an Agency-wide supergrade position review on the expedite basis and submit its findings to the Agency Supergrade Board. The review will take into account Directorate recommendations, all currently existing supergrade positions, and any additional senior positions which appear to merit supergrade considera-

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tion. Findings will include all positions that the Office of Personnel determines to be properly classified at the supergrade level, even though the total number of supergrade positions resulting therefrom and reflected on the official staffing complement may exceed the present OMB supergrade allowance of

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f. The Agency Supergrade Board will review findings and make recommendations to the Director for his approval of the position grades and the allocation of supergrade allowances for the remainder of FY 1976 and the transition period (i.e., through 30 September 1976). These allocations are to be reviewed in accord with these same procedures and adjusted annually at the beginning of each subsequent fiscal year.

g. All future requests for additional supergrade ceiling allocations, the establishment of new supergrade positions, or grade adjustments of existing supergrade positions be submitted through the Office of Personnel for classification review by PMCD (with findings completed within 14 days from receipt) to the Agency Supergrade Board for its review and recommendation to the DCI. The Board's recommendations, including any dissenting views, the positions taken by the Director of Personnel and the Comptroller, and the interested Deputy Director's proposal will be forwarded to the Director for decision."

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